

**Summary of Major Changes to
702 KAR 3:270 SEEK Funding Formula
(Updated January 15, 2008)**

NECESSITY, FUNCTION, AND CONFORMITY

1. Added additional references that impact the SEEK funding formula (page 1, lines 14-21 and page 2, lines 1-5):

- KRS 157.320 defines average daily attendance.
- KRS 157.360 and 157.370 describe the Support Education Excellence In Kentucky (SEEK) base funding formula.
- KRS 157.410 sets forth the schedule of payments of SEEK funds to school districts.
- KRS 157.430 authorizes percentage reductions in SEEK.
- KRS 157.440 sets forth the requirements of state equalization for Tier I and FSPK, and Tier II maximum.
- KRS 157.615 defines ‘Equivalent Tax Rate’.
- KRS 157.390 requires subtraction of revenue generated by \$0.30 tax rate from SEEK calculation.
- KRS 158.135 defines State Agency children.
- KRS 160.470 sets forth required minimum local tax effort.
- KRS 160.476 permits districts to restrict funds for building purposes.

Section 1. Definitions

1. Made definition changes to:

- “At-risk student amount” to change the methodology for collecting the student count (page 2, lines 8-13);
- “Calculated Base SEEK funding” to incorporate the students with Limited English Proficiency (page 2, line 17); and
- “Transportation funding” to remove specific Division responsible for calculation and include the KAR for reference for the calculation (page 4, lines 21 and 22).

2. Added definitions of:

- “LEP” to include the funding for students with Limited English Proficiency (page 3, line 15);
- “Net General Fund SEEK” to clarify the net amount that districts can allocate to the General Fund (page 4, lines 3 and 4); and
- “Partial Day” to clarify the components incorporated into the calculation of attendance (page 4, lines 6 and 7).

3. Deleted definitions of:

- “Debt service outstanding” because the number does not have an impact on SEEK funding (page 3, lines 1-4);
- “Release time” to clarify the calculation of attendance (page 4, lines 5 and 6);

- “Shared time average daily attendance” to clarify the calculation of attendance (page 4, lines 8-10);
- “Tier II Revenue” to remove from regulation as it does not impact calculation of SEEK funding (page 4, lines 16-18); and
- “Vocational education deduct” because it is no longer included in SEEK formula (page 5, lines 1-3).

Section 2. SEEK Calculation Formula

1. Made changes to:

- (1)(a) denoted proper Department name (page 5, line 6);
- (1)(d) to change the source of data from Division to title of report used (page 5, lines 10 and 11);
- (1)(e) to change the source of data from the Division to title of report used (page 5, line 13);
- (1)(f) to change the source of data from the Division to title of report used (page 5, line 16);
- (1)(g) to change the source of data from the Division to the KRS and KAR that set the requirements of the calculation (page 5, line 18);
- (1)(h) to change the source of data from the Division to the component used within the SIS (page 5, lines 20-22);
- (1)(i) to change the source of data from the Division to the specific age and date of the data used within the SIS (page 6, lines 1-3);
- (1)(k) to clarify amount is set forth in the biennial budget (page 6, line 7);
- (4)(a) clarified ADA in accordance with KRS 157.320 (page 7, line 3);
- (4)(b)(1.-5.) clarified the calculation of AADA to incorporate all components of attendance (page 7, lines 6-16); and
- (5)(b) changed name to agree with title used in the SEEK calculation reports (page 8, line 4).

2. Added:

- (1)(j) the LEP students and how reported (page 6, line 4);
- (2)(c) include LEP into the percentage reduction of allotments (page 6, line 14);
- (3) include appeal process for districts experiencing continued increases in average daily attendance (page 6, lines 16-22);
- (5)(a) included LEP student amount (page 8, line 3);
- (6)(b) included LEP in the Total State SEEK funding calculation (page 8, line 20); and
- (7)(b)(1) added language to include other equivalent tax rates (page 9, lines 18 & 19).

3. Deleted:

- (1)(j) remove Vocational education attendance since it is no longer included in the SEEK calculation (page 6, lines 5 and 6);
- (6) deleted guaranteed base funding per KRS 157.360(1) as it was duplicative (page 8, line 18);
- (7) removed reference to Tier II since it is not incorporated into the SEEK formula (page 9, line 1);
- (7)(b)(1) removed the thirty (30) cents and five (5) cent specific designations (page 9, lines 17 and 18);

- (7)(c) removed reference to calculation of Tier II funding since it is not calculated in SEEK formula (page 10, lines 8-14); and
- (7) deleted entire section on Vocational Education deduct since it is not incorporated into SEEK formula (page 10, lines 15-23).

Section 3. Facilities Support Program of Kentucky (FSPK) Calculation

1. Made changes to Section title to expand the calculation of state equalization that is included in the SEEK funding formula:

- (1) to expand to include all equalization not just FSPK calculation (page 11, lines 1-3);
- (1)(a) to denote proper Department name (page 11, line 4);
- (1)(c) to remove the Division name since the source is denoted in previous section (page 11, lines 7-8); and
- (4)(a) to expand to include the tax levy under KRS 157.440 instead of KRS 157.0005 (page 12, lines 9-11).

2. Deleted:

- (1)(c) the name of Division since it involves the entire Office to complete process (page 11, lines 7 and 8);
- (2) (a) removed the limit of five (5) cents (page 11, line 12);
- (2) (b) removed the five (5) cent specific and replaced with the word required to be inclusive of all types of equalization (page 11, line 14); and
- (3) (a) removed the five (5) cent equivalent and replaced with the word required to be inclusive of all tax levies under KRS 157.440 and remove reference to KRS 157.620(1)(a) (page 11, lines 22 and 23).